

month. This is an example of what is happening to this country's trade deficits: We are choking on red ink. This is serious. It is a crisis, and nobody seems to care. The White House is snoring its way through this issue. The Congress is sleeping through it. Nobody gives a rip about this at all. Nearly \$2 billion a day is the amount we purchase from abroad from other countries in goods and services in excess of the amount we sell to them. That means every single day foreign countries and foreign investors own \$2 billion more of our country, claims against our country, stocks, bonds, assets, or real estate.

This is a crisis that will have a profound impact on future economic growth in this country. It will have a profound impact, and does, on the wholesale export of American jobs all across the world.

Yesterday, I read a piece that General Motors called in its subcontractors and said: You need to start moving your jobs to China to be more competitive.

Evidence is all around us that this trade strategy we have is unsound. It does not work. It injures our country. It is hollowing out our manufacturing sector, and it is moving American jobs overseas. This country had better take notice. This Congress had better sit up and start caring about this, and this President had better start parking Air Force One and providing some leadership on things that are a crisis.

No, Social Security is not in crisis. Social Security will be fully solvent until George Bush is 106 years old. That is hardly a crisis. But the announcement that in February of this year we had a \$61 billion 1-month trade deficit ought to provoke this White House and this Congress, Republicans and Democrats, to take action in support of this country's economic interests for a change.

What do we hear about trade? We do not hear anybody wanting to do anything about this, and I will speak later on about what we should do in some detail. What we hear is we want another trade agreement to be passed by the Congress called the Central American Free Trade Agreement, CAFTA. To me, it is an acronym that means careless and foolish trade agreement.

Along with my colleague from Georgia, Senator LINDSEY GRAHAM, we are going to lead the opposition, and I hope we can round up the votes in this Congress to defeat this trade agreement. The message ought to be to those folks who are negotiating these agreements and then sending them to Congress under fast track, please fix some of the problems that have been created in past trade agreements before negotiating new ones and before asking the Congress to approve new ones. Fix a few of the problems that have been created.

Do my colleagues think this is not a problem? This comes from NAFTA. This comes from GATT. This comes from all of the distant cousins of the

trade agreements that we brought to the Senate floor, almost all of which I have voted against, because I believe they pull the rug out from under the interests of this country. They pull the rug out from under our workers and our businesses. So I hope very much that we can finally get someone's attention. If \$61 billion a month in trade deficits is not a wake-up call that gets someone's attention, my guess is they are permanently asleep.

Now, I wish to speak about the issue of contracting in Iraq. There is massive waste, fraud, and abuse going on in contracting in Iraq, as is the case in many circumstances where a lot of money is being poured out to prosecute a war. If one does not watch carefully, people are going to fleece the taxpayers, and that is what is happening. Nobody seems to care about that, either.

We cannot get aggressive hearings in the Congress about oversight. Why is that? I do not know. So as chairman of the Democratic Policy Committee, we have held four hearings on these abuses.

In a moment, I will read a few newspaper headlines about this waste, and yes, these headlines mention the word Halliburton, and I know that when the word Halliburton is mentioned people think, okay, now this is political, it is partisan, now we are going after Vice President CHENEY because he used to head that corporation. This has nothing to do with Vice President CHENEY. He has been long gone from Halliburton. This has nothing to do with the Vice President, nothing to do with partisan politics. It has everything to do with the American taxpayers being cheated.

So to the extent that Halliburton is in these headlines, it is because they were given very large sole-source contracts without any competitive bidding. Billions of dollars have gone into the pockets of Halliburton and here is the result, with a substantial lack of oversight.

First, let me describe this picture. This does not deal with Halliburton, by the way. This deals with a company called Custer Battles, two guys named Custer and Battles. This picture shows \$2 million in cash wrapped in Saran wrap. This fellow, incidentally, was the guy who was turning over the \$2 million because the company that was owed the \$2 million showed up with a bag. Why did they show up with a bag to collect cash wrapped in Saran wrap? Because they were told in Iraq: When you are contracting, bring a bag, you are going to get cash, by the bagful.

Now, these people got a lot of cash. This is their first \$2 million. They have been accused of substantial fraud. Doing security at airports, they allegedly confiscated the forklift trucks, took them off the airport property, repainted them, and then sold them back to the Coalition Provisional Authority, which was the U.S. taxpayer.

So here is the first delivery of \$2 million in cash in a bag to a company that is now widely accused of fraud.

Now, here are some of the stories of waste that I mentioned, involving Halliburton. I will read some of these headlines. This was a former Halliburton employee who testified before our committee: "Halliburton Manipulated Purchase Orders to Avoid Oversight"—that is a newspaper headline. For purchase orders under \$2,500 buyers only needed to solicit one quote from a vendor. To avoid competitive bidding, requisitions were quoted individually and later combined into the \$2,500 and more. They were told to do that in order to cheat.

In fact, this particular guy held up a towel, and he said: This was a towel we were supposed to order because we were buying towels for U.S. soldiers.

They paid nearly double the price for the towels because instead of ordering the towel that was the plain towel, they ordered one embroidered with their company's logo on it so the American taxpayer could pay nearly double.

"Halliburton Discouraged Full Disclosure to Auditors." "Halliburton Overcharged for Oil." This is from the fellow who used to run the portion of the Defense Department that would purchase oil, yes, even in areas where we were at war, and he said: During my tenure at the Defense Department, we were occasionally forced to pay sole-source prices in some locations, but not even in remote central Asia did we pay close to a gallon for jet fuel of what Halliburton was charging in Iraq. He said that overcharging for oil was simply out of control. This is a former Defense Department official.

By the way, Halliburton ordered 25 tons of nails—that is 50,000 pounds of nails. Do my colleagues know where they are today? They are laying in the sand of Iraq because they came in the wrong size. Somebody made a mistake on the order. If someone wants 50,000 pounds of nails, they are laying in the sands of Iraq someplace. The American taxpayer paid for them, and Halliburton got reimbursed for it.

We had testimony of people driving \$85,000 trucks in Iraq, and those trucks were abandoned just because they had a flat tire or because they had a clogged fuel pump. They were abandoned and torched, and they went and bought new trucks. So much for oversight. Nobody cares because it is a war and because there are sole-source contracts. These are pieces of testimony from whistleblowers, from former employees, who said: Here is what is going on. The truck piece was from a truck-driver in Iraq who worked for Halliburton.

It is just unbelievable when one listens to what is happening: Bags of cash, billions of dollars. We say we are going to put air-conditioning in a building near Baghdad, and so our contractor hires a subcontractor, who hires a couple of workers, and we get